

The George Jacobs Trust
 c/o Howard S. Jacobs
 62 Hummingbird Drive
 Roslyn, New York 11576
 212-940-8505

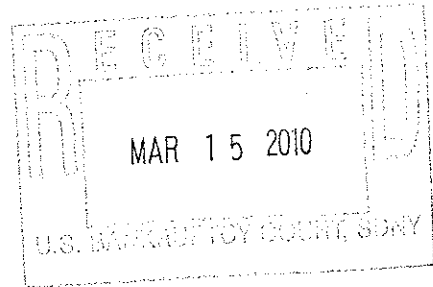
March 12, 2010

Certified Mail

Clerk of the United States Bankruptcy Court
 for the Southern District of New York
 One Bowling Green
 New York, NY 10004

Irving H. Picard, Trustee
 c/o Baker & Hostetler LLP
 45 Rockefeller Plaza
 New York, NY 10111

Re: Notice of Trustee's Determination of Claim
 BLMIS Account No. 1CM090
Claim No. 001966



Gentlemen:

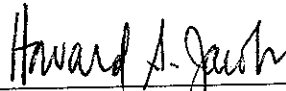
Please be advised that we are in receipt of your letter dated February 19, 2010 ("February Letter") regarding BLMIS Account No. 1CM090, designated as Claim No. 001966, denying our request for a payment from the Securities Investor Protection Act, and we disagree with your conclusion for the following reasons:

Mr. George Jacobs opened his account (1C000430) at Bernard L. Madoff Investment Securities LLC ("Madoff") in the early or mid 1980s in an individual account. Mr. Jacobs died in August 1998. The gross estate had an adjusted value of approximately \$3,000,000. The estate paid estate taxes of \$798,709 (see U.S. Estate Tax Return attached hereto as Exhibit 1). Pursuant to Mr. Jacobs' last will and testament, \$966,517 was transferred from Mr. Jacobs' estate into a trust account (1CM090) at Madoff. No money was taken out of that account for personal use. The only funds removed from the account were used to pay taxes. Since money is fungible, and the estate paid taxes on the funds in account 1C000430, we believe that the money was removed from account 1C000430 in August 1998 and a new account with \$966,517 was opened as account 1CM090. Based on your analysis in Table 1 attached to the February Letter, the Trust withdrew \$533,000 between August 1998 and December 11, 2009, which should result in a payment to the Trust from SIPC of \$433,517, which is \$966,517 minus \$533,000.

We would appreciate it if you could review the facts of this matter and reconsider the determination as expressed in the February Letter.

Very truly yours,

THE GEORGE JACOBS TRUST

A handwritten signature in dark ink, appearing to read "Howard S. Jacobs", is written over a horizontal line.

Howard S. Jacobs, Trustee

HSJ:pt
Enclosure
cc: Phyllis Smith (w/enc)